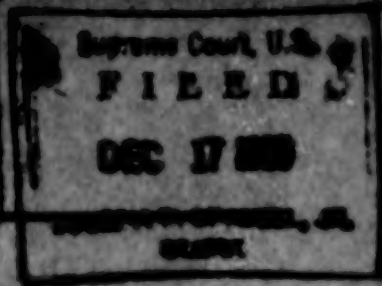


17

No. 89-1909



In The
Supreme Court of the United States
October Term, 1990

FEIST PUBLICATIONS, INC.,

Petitioner,

v.

RURAL TELEPHONE SERVICE COMPANY, INC.,

Respondent.

**On Writ Of Certiorari To the United States Court Of
Appeals For The Tenth Circuit**

BRIEF FOR THE RESPONDENT

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BEST AVAILABLE COPY

QUESTION PRESENTED

Does copyright law protect a compilation of listings in a telephone directory against a substantial copying by a competitor in the preparation of its directly competing directory.

LIST OF PARTIES AND RULE 29.1 LIST

There are no parties to this proceeding not revealed by the caption.

Rural Telephone Service Company, Inc. has no parent company. Rural Telephone Service Company, Inc. owns 100% of RTSC Communications, Inc. There are no other subsidiaries.

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BRIEF FOR THE RESPONDENT

STATEMENT OF THE CASE

Respondent, Rural Telephone Service Company, Inc. ("Rural"), is a non-profit telephone company that provides telephone service in an eleven-county area in Kansas. Rural is a cooperative public utility owned by its subscribers which in 1983 numbered approximately 7700. Rural annually prepares a telephone directory and distributes that directory to its subscribers and to other interested persons. Each directory is published in compliance with the applicable copyright laws; the copyright is properly registered with the Copyright Office. The directories contain an alphabetical arrangement of listings¹

¹ A listing is a term of art referring to the names, addresses, and telephone numbers of subscribers for telephone service.

- the familiar telephone "white pages" - and a classified arrangement of listings for Rural's business subscribers arranged by business classification, as well as advertisements purchased by those listed businesses - the familiar telephone "yellow pages".

Petitioner, Feist Publications, Inc. ("Feist"), does not provide any telephone service, but is in the business of publishing and distributing telephone directories. Since 1978 it has published the "Northwest AREA-WIDE Telephone Directory" covering an area of Kansas that includes most of Rural's service area. Feist's directory contains "white pages and yellow pages similar to [Rural's] directory." Petition for a Writ of Certiorari to the United States Court of Appeal for the Tenth Circuit at 6a, *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, No. 89-1909 (1989) ["Pet. App."]. Feist makes its profit by selling advertising for placement in its directory.

To obtain its listings, Feist annually purchased white pages listings from the various telephone companies serving the area covered by Feist's directory. Rural declined to enter into such an arrangement. As the district court explained, Feist then took the 1978 Rural directory and copied those listings for the areas to be covered by Feist's 1978 directory. *Id.* at 7a-8a.

Thereafter, Feist annually updated its 1978 directory by comparing the previous year's copied listings against current editions of Rural's directory. As changes, additions, and deletions to the listings were detected, Feist made those alterations and published further editions of its directory. As a part of its publishing process, Feist contacted some of the subscribers in Rural's directory to confirm the accuracy of the listing information copied from the Rural directory. *Id.* at 8a. This confirmation process is sometimes incorrectly referred to as a "verification" process.

Concerned that Feist was copying its directory and infringing its copyright, Rural inserted a number of fictitious listings into its 1982-1983 directory. In 1983 Feist again copied all of its listings from Rural's 1983 directory for the areas to be covered by Feist's directory. *Id.* As a

consequence, Feist's resulting 1983 AREA-WIDE directory included several of the fictitious listings that were included in Rural's 1983 white page directory.

Feist accomplished the copying of Rural's directory by entering or keying² the names, addresses and corresponding telephone numbers of the listings it wanted to use into a computer database. Joint Appendix at 52, *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, No. 89-1909 (1989) ["J.A."]. This copying consisted of keying 4,935 of the 7,700 listings in Rural's directory into Feist's computer database. That computer database was then used by Feist to print paper copies of the copied compilation of Rural listings. Next, Feist sorted that information; first by city name, and then by subscriber name. *Id.* at 38, 52. This sorted information, which contained the copied subscribers' names and addresses as coordinated with the subscriber's assigned telephone numbers, was then printed on paper in a report format. *Id.* at 52. Feist then confirmed the accuracy of the copied listing information by contacting some of Rural's subscribers and added street addresses to those listings when only city addresses were present.

Following these steps, the computer database was used to publish Feist's 1983 directory. The vast majority of subscriber names, addresses, and corresponding telephone numbers were copied identically from Rural's directory into Feist's directory. Although Feist added some information to the listings copied from Rural's directory, 3,859 or 78% of the copied listings appeared unchanged in the Feist directory.

In sum, Feist made no effort to collect names, addresses, or telephone numbers from Rural's customers

² "Keying" is a term often used in the industry to mean typing information into a computer. It is a term which is left over from the days when data was entered into computers by keypunching data cards.

or from other sources prior to Feist's copying of that information from Rural's 1982-83 directory. Instead, Feist chose the expedient of merely copying the desired information from Rural's directory.

Rural then brought suit alleging that Feist had violated Rural's copyright in its 1982-1983 directory by copying a substantial portion of its compilation of white pages listings.³ The district court found for Rural noting that "[c]ourts have consistently held that telephone directories are copyrightable" under 17 U.S.C. §§ 102 and 103. Pet. App. at 9a. The court concluded that the evidence clearly established that Feist copied Rural's directory observing that "one of [Feist's] owners . . . admitted in his deposition that the plaintiff's 1982-1983 directory was extensively used to prepare a portion of his company's directory." *Id.* at 11a. The court also concluded that Feist's copying of the fictitious listings "naturally presents strong evidence of copying and confirms the admission by the defendant that it extensively used plaintiff's directory." *Id.* at 12a. Finally, the court rejected Feist's assertion of a fair use defense under 17 U.S.C. § 107, pointing to "[t]he uncontroverted evidence before the court . . . that the defendant extensively used the plaintiff's directory without first conducting an independent canvass." *Id.* at 13a-14a.

³ Feist asserted a counterclaim that Rural's refusal to license its white pages listings violated the antitrust laws. The district court denied Rural's request for summary judgment on that antitrust claim. Pet. App. 15a. In addition, the district court rejected Feist's contention that a copyright holder's violation of the antitrust laws may be asserted as a defense in a copyright infringement action. *Id.* at 14a. That holding was affirmed on appeal. *Id.* at 3a. This Court limited the grant of certiorari to exclude consideration of Feist's antitrust arguments. J.A. at 101. The district court subsequently ruled for Feist in the antitrust action. *Rural Tel. Serv. Co. v. Feist Publications, Inc.*, 737 F. Supp. 610 (D. Kan. 1990). Rural's appeal of that ruling is pending.

The court of appeals affirmed the district court decision finding the Rural directory to be properly copyrighted and the copying of thousands of listings therefrom by Feist to be copyright infringement. *Id.* at 1a-4a. Furthermore, the Tenth Circuit found that the copying by Feist was neither *de minimis* nor fair use and therefore was a violation of the copyright laws.

SUMMARY OF ARGUMENT

A. A COMPILATION OF NAMES, ADDRESSES AND TELEPHONE NUMBERS CONSTITUTES COPYRIGHTABLE SUBJECT MATTER

Feist's principle contention – that white pages directories are not subject to copyright protection – is inconsistent with the language of the Copyright Act. Section 102(a) provides copyright protection for all "literary works," a category expressly intended to include directories. Further, Section 103(a) provides that the "subject matter of copyright as specified in Section 102 includes compilations." The term "compilation" in turn is defined in Section 101 as "a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." 17 U.S.C. §§ 101-103 (1976). Clearly, a telephone directory satisfies the requirements for such a compilation of material. A telephone directory also plainly satisfies the standard of "originality" specified by Congress and recognized by this Court as the prerequisite for copyright protection because the author independently collected, assembled, selected, coordinated, or arranged preexisting individual listing information into a directory, as opposed to copying that material from another source.

There is nothing new in this conclusion. Prior to enactment of the Act, both this Court and lower courts have consistently held directories subject to copyright protection. *Bleistein v. Donaldson Lithographing Co.*, 188

U.S. 239 (1903); *United Tel. Co. v. Johnson Publishing Co.*, 671 F. Supp. 1514 (W.D. Mo. 1987), *aff'd*, 855 F.2d 604 (8th Cir. 1988); *Schroeder v. William Morrow & Co.*, 566 F.2d 3 (7th Cir. 1977); *Leon v. Pacific Tel. & Tel. Co.*, 91 F.2d 484 (9th Cir. 1937). Those decisions have special relevance here, for Congress indicated when it enacted the Copyright Act, that it meant to endorse the then-existing standard of originality – the standard that determines the copyrightability of compilations.

In the years prior to enactment of the 1976 Copyright Act, the courts repeatedly and expressly rejected arguments by infringers that substantial appropriation of the material compiled in a copyrighted directory is permissible so long as the copier engages in the simple expedient of rearranging that material. Those decisions were cited with approval in the background studies commissioned by Congress as a prelude to work on the Act; and they were cited with approval to Congress in hearings leading to enactment of the 1976 Act and by an influential commission created by Congress to recommend copyright legislation relating to computers and photocopiers.

With this background, Congress plainly understood the directory compiler's original contribution to be his collection and assembly of materials that are selected, coordinated, or arranged into a useful form. Someone who appropriates a substantial portion of the resulting compilation accordingly infringes the compiler's copyright, even if the copier rearranges or does not copy the arrangement of the constituent items of material. It bears emphasis that the Copyright Act does not confer copyright protection on individual facts. Anyone is free to gather the same preexisting facts for themselves and publish their own independently-created compilation. However, the appropriation of a substantial portion of a compilation of facts plainly appropriates, along with those facts, the author's original contribution in compiling those facts.

In contrast, Feist's focus on format or arrangement would substantially eliminate copyright protection for compilations of facts. If the type of activity undertaken by Feist – the simple insertion of a substantial portion of the contents of Rural's alphabetical directory into Feist's larger alphabetical directory – is enough to avoid infringement, copyright protection for directories will be meaningless. That is especially apparent in the computer age, when information may be fed into a database and entirely rearranged with a few keystrokes. Such a result would destroy the economic incentives that now underlie the creation of directories, an outcome that is fundamentally inconsistent with the basic policy of the Act – to encourage the production of useful works.

B. THE SCOPE OF COPYRIGHT PROTECTION EXTENDS TO THE COMPILATION OF MATERIAL IN A DIRECTORY

Although Feist concedes the copying of a substantial number of listings from Rural's directory, Feist contends that those individual listings are not subject to copyright protection. Rural, however, has never claimed copyright protection for individual listings; it seeks to protect only its original contribution – its compilation of listings which results from collection and assembly, and selection, coordination or arrangement of individual facts.

Feist contends that the scope of copyright protection for compilations extends only to the precise arrangement of the preexisting material. This contention cannot be reconciled with prior judicial interpretations, or the history and purpose of the Copyright Act of 1976. Prior to the 1976 Act, several courts implicitly addressed and rejected the arguments raised here by Feist. Those courts held that a substantial copying of listings from a compilation constituted infringement even though the alleged infringer either rearranged, or did not copy the arrangement of, the copied listings or added new material to the

listings – precisely the type of activity that Feist claims excuses its copying.

The legislative history of the Copyright Act of 1976 provides direct evidence of congressional approval of the holdings in these cases. In particular, these cases were cited with approval to both Houses of Congress during hearings leading to enactment of the Copyright Act. Furthermore, a commission established by Congress in 1974 to recommend copyright legislation relating to computers and photocopiers relied on these cases for the proposition that the unauthorized appropriation of data in a computerized database constituted copyright infringement. Because the information in such databases cannot meaningfully be said to have any arrangement, this conclusion necessarily rests on the proposition that the selection of data in a database is protected. This Commission's report was expressly accepted by Congress. In like fashion, unauthorized appropriation of the selection of listings in a directory constitutes infringement.

Copyright protection of Rural's compilation of listings also is fully supported by the policies underlying the Copyright Act. This Court has explained repeatedly that "[t]he rights conferred by copyright are designed to assure contributors to the store of knowledge a fair return for their labor . . ." *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 546 (1985). These considerations apply with special force here, for the incentives that underlie production of directories are almost entirely economic. Preserving this incentive plainly requires protection of a directory compilation against substantial copying. If the scope of copyright protection is focused exclusively on the format or arrangement of the compilation, as suggested by Feist, the economic incentives underlying the copyright laws are largely swept away.

C. FEIST'S SUBSTANTIAL COPYING OF RURAL'S DIRECTORY FOR COMMERCIAL PURPOSES DOES NOT CONSTITUTE FAIR USE

Feist's final argument is that its copying of Rural's directory was justified under the fair use doctrine. The

Court's grant of certiorari did not include a fair use question as this argument was not raised in the petition for certiorari. This case does not constitute an appropriate vehicle for exploring the highly factual inquiry required by the fair use doctrine. Nor is there a need for further articulation of the doctrine in light of the Court's recent decisions in *Harper & Row* and *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984).

On the merits, Feist incorrectly argues that the district court established a *per se* bar to the application of the doctrine. The court did not use the term *per se*; rather, it applied a widely used legal rule that the fair use defense is generally not available when a copyright infringer begins by copying a substantial portion of a compilation. Such a result is also fully justified by an examination of the statutory fair use factors. Here, Feist's use was totally commercial, and if that use is permitted, it would have a serious negative impact on the potential market for or value of the copyrighted work as well as its derivative works.

ARGUMENT

A. A COMPILATION OF NAMES, ADDRESSES AND TELEPHONE NUMBERS CONSTITUTES COPYRIGHTABLE SUBJECT MATTER

The basic principles that control this case are not in dispute. Under the Copyright Act of 1976 (the "Act" or "Copyright Act"), 17 U.S.C. § 101 *et seq.*, a copyright may be obtained in "original works of authorship." 17 U.S.C. § 102(a) (1976). The elements of that standard are well settled. As this Court explained long ago, an "author" simply is one "to whom anything owes its origin; originator, maker." *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884) (citation omitted). See *Goldstein v. California*, 412 U.S. 546, 561 (1973). The requisite originality is equally basic; it "does not include requirements of novelty, ingenuity, or esthetic merit." H.R. Rep.

No. 1476, 94th Cong., 2d Sess. 51 (1976). See S. Rep. No. 473, 94th Cong., 1st Sess. 50 (1975); *Mazer v. Stein*, 347 U.S. 201, 218 (1954). Instead, any contribution by the author that "is more than merely trivial" will establish entitlement to copyright protection. 1 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 2.01[B] at 2-11 (1990); *Weissmann v. Freeman*, 868 F.2d 1313, 1321 (2d Cir. 1989).

Once a copyright is obtained, the Act grants the author the exclusive right to reproduce the copyrighted work, or prepare derivative works based upon the copyrighted work (17 U.S.C. § 106(1), (2) (1976)), although in some circumstances the copying of a portion of the work by other parties will be permitted as fair use. 17 U.S.C. § 107 (1976). In the absence of such a fair use defense, "[a]nyone who violates any of the exclusive rights of the copyright owner . . . is an infringer of the copyright." 17 U.S.C. § 501(a) (1976).

"[R]educed to most fundamental terms, there are only two elements necessary to the plaintiff's case in an infringement action: ownership of the copyright by the plaintiff and copying by the defendant." 3 M. Nimmer & D. Nimmer, *supra*, § 13.01 at 13-4 (footnotes omitted). Here, these principles must be applied to Feist's conceded copying of two-thirds of Rural's directory in the process of preparing its own competing directory. As both courts below recognized and held, Feist's action plainly amounted to copyright infringement.

Feist's principal contention is that Rural's "white page listings themselves are simply not copyrightable subject matter." Brief for Petitioner at 18, *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, No. 89-1909 (1989) ["Pet. Br."]. It is difficult to believe that Feist seriously advances this contention; Feist conceded in its petition for writ of certiorari that "directories are copyrightable under the law." Indeed, Feist copyrights its own directories. Feist explained that:

[t]he copyrightability of telephone directories as a whole is not the issue of this case. Feist agrees

that directories are copyrightable under the law. Feist copyrights its directories and if a third party copied Feist's directory compilation with no independent verification or other selection or rearrangement, that copying should be enjoined.

Pet. App. at 9.⁴ Despite this concession, Feist devotes a substantial portion of its brief to the issue of the copyrightability of a directory. In fact, Feist's contentions on this point would, in effect, deny any meaningful protection to directories. Nevertheless, as will be shown below, directories are clearly copyrightable subject matter under the 1976 Copyright Act and are entitled to the full range of protection provided by that Act.

1. Directories Were Recognized As Constituting Copyrightable Subject Matter Prior To The Enactment Of The Copyright Act of 1976

Prior to enactment of the Copyright Act of 1909, ch. 320, 35 Stat. 1075, the predecessor to the Copyright Act of 1976, this Court had made clear that "directories and the like . . . may be copyrighted." *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 250 (1903). The Court reaffirmed that view the year before enactment of the 1909 statute. *Dun v. Lumbermen's Credit Ass'n*, 209 U.S. 20 (1908).⁵ The lower courts, meanwhile, uniformly had

⁴ Furthermore, Rural obtained a certificate of registration from the Register of Copyrights (see Pet. App. 9a), which constitutes *prima facie* evidence both of the requisite originality of its directory and the copyrightability of the subject matter therein. See 17 U.S.C. § 410(a), (c) (1976); 3 M. Nimmer & D. Nimmer, *supra*, § 13.01[A] at 13-5 to 13-6. Feist has failed to produce any material evidence that would rebut that *prima facie* evidence.

⁵ *Dun* involved competing listings of credit ratings. The Court declined to enjoin production of the second work

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reached the same conclusion. See, e.g., *Sampson & Murdock Co. v. Seaver-Radford Co.*, 140 F. 539 (1st Cir. 1905); *Hartford Printing Co. v. Hartford Directory & Publishing Co.*, 146 F. 332 (C.C.D. Conn. 1906); *List Publishing Co. v. Keller*, 30 F. 772, 773 (C.C.S.D.N.Y. 1887).

Thus, the 1909 Act – which itself was “declaratory of existing law” (H.R. Rep. No. 2222, 60th Cong., 2d Sess. 10 (1909)) – specifically listed “[b]ooks, including composite and cyclopedic works, directories, gazetteers, and other compilations” among the classes of works that might be submitted for copyright registration. Act of Mar. 4, 1909, ch. 320, § 5(a), 35 Stat. 1075. The inclusion of directories in the 1909 Act was a considered decision; directories were listed at the request of the Association of American Directory Publishers, which was concerned that failure to mention directories might be understood by the courts as signaling an intent to exclude directories from coverage. See *Stenographic Report of Conference on Copyright*, 1st Sess. (1905) (statement of Mr. Bates), reprinted in *Legislative History of the 1909 Copyright Act* C10 (E. Brylawski & A. Goldman eds. 1976) (“1909 Legislative History”); *id.* (1st Sess. 1905) (statement of Mr. Putnam), reprinted in 1909 *Legislative History* D162; *id.* (2d Sess. 1906) (statement of Mr. Lucking), reprinted in 1909 *Legislative History* E17.

Not long after the 1909 enactment, Judge Learned Hand observed, in rejecting an argument that directories

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because most of its entries had been developed through the defendant’s use of a “long-continued, elaborate and comprehensive system of obtaining independent information.” 209 U.S. at 23 (citation omitted). The vast bulk of the defendant’s work therefore did not infringe the plaintiffs’ copyright. However, listings taken directly from the plaintiffs’ book were understood to infringe the copyright, and the plaintiffs therefore were “remitt[ed] . . . to a court of law to recover such damage as they might there prove that they had sustained.” *Id.* at 24.

should be excluded from copyright, “[t]hat was not . . . the law before the act of 1909 and it could not be even argued afterwards.” *Jeweler’s Circular Publishing Co. v. Keystone Publishing Co.*, 274 F. 932, 935 (S.D.N.Y. 1921) (citations omitted), *aff’d*, 281 F. 83 (2d Cir.), *cert. denied*, 259 U.S. 581 (1922). While that point occasionally was argued despite Judge Hand’s certitude, the courts uniformly held prior to enactment of the 1976 Act that directories⁶ – and telephone directories in particular⁷ – were copyrightable.

2. The Legislative History Of The Copyright Act Of 1976 Indicates An Intent By Congress To Adopt The Then-Existing Standard Of Copyrightability For Compilations

The 1976 Act – which is the Act this Court must construe – was the product of 15 years of legislative effort

⁶ See, e.g., *Schroeder v. William Morrow Co.*, 566 F.2d 3, 4-5 (7th Cir. 1977) (gardening directory); *Adventures in Good Eating v. Best Places To Eat*, 131 F.2d 809, 811 (7th Cir. 1942) (restaurant directory); *Edwards & Deutsch Lithographing Co. v. Boorman*, 15 F.2d 35 (7th Cir.) (interest and discount time teller), *cert. denied*, 273 U.S. 738 (1926); *American Travel & Hotel Directory Co. v. Gehring Publishing Co.*, 4 F.2d 415, 416 (S.D.N.Y. 1925) (hotel directory); *Produce Reporter Co. v. Fruit Produce Rating Agency*, 1 F.2d 58, 61-62 (N.D. Ill. 1924) (credit ratings); *Jeweler’s Circular*, 281 F. at 88 (jeweler’s trademark directory); *Chain Store Business Guide v. Wexler*, 79 F. Supp. 726 (S.D.N.Y. 1948) (store directories); *Sub-Contractors Register, Inc. v. McGovern’s Contractors & Builders Manual, Inc.*, 69 F. Supp. 507, 509-10 (S.D.N.Y. 1946) (directory of individuals and firms in the building trades).

⁷ See, e.g., *Leon v. Pacific Tel. & Tel. Co.*, 91 F.2d 484 (9th Cir. 1937) (white pages); *Cincinnati & Suburban Bell Tel. Co. v. Brown*, 44 F.2d 631 (S.D. Ohio 1930) (white pages); *Southwestern Bell Tel. Co. v. Nationwide Indep. Directory Serv., Inc.*, 371 F. Supp. 900 (W.D. Ark. 1974) (white and yellow pages); *Southern Bell Tel. & Tel. Co. v. Donnelley*, 35 F. Supp. 425 (S.D. Fla. 1940) (white and yellow pages) (default judgment).

aimed at revising the 1909 statute; many of its provisions were products of fierce disputes. See generally *Community for Creative Non-Violence v. Reid*, 109 S. Ct. 2166, 2174-2177 (1989); *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 159-161 (1985). So far as the basic "original work of authorship" standard is concerned – the standard that determines the copyrightability both of compilations and of other literary works – Congress made clear its intent "to incorporate without change the standard of originality established by the courts under the [1909] copyright statute." H.R. Rep. No. 1476, *supra*, at 51 (emphasis added); S. Rep. No. 473, *supra*, at 50. See Ringer, *First Thoughts on the Copyright Act of 1976*, 13 Copyright 187, 189 (1977).*

In fact, throughout the revision process there was a remarkable consensus in favor of maintaining the existing standards governing basic copyrightability. The Register of Copyright's 1961 report to Congress, which initiated the revision process, proposed that the statute hinge copyrightability on "original creative authorship." *Copyright Law Revision: Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law*, 87th Cong., 1st Sess. 9 (Comm. Print 1961) ["Register Report"]. While this proposed standard was understood by the Register to

* While the 1976 Act dropped the express reference to directories that had appeared in Section 5(a) of the 1909 Act, that plainly did not signal an intent to remove directories from the scope of copyright. Section 5 of the 1909 Act had listed classifications of copyrightable materials "for the convenience of the copyright office." H.R. Rep. No. 2222, *supra*, at 10. In proposing revisions of the 1909 Act, however, the Register of Copyrights explained that Section 5 "is too rigid for the most effective accommodation to changing conditions and procedures." *Copyright Law Revision: Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law*, 87th Cong., 1st Sess. 11 (Comm. Print 1961). Section 5 and its classification scheme therefore was eliminated from the 1976 Act. See *id.* at 12.

allow the copyright "of all the classes of works now included" (*id.*), the proposal nevertheless drew opposition on the ground that "the word 'creative' might possibly be understood by courts as implying a higher requirement of creativity than is required at present." *Copyright Law Revision, Pt. 3: Preliminary Draft for Revised U.S. Copyright Law and Discussions and Comments on the Draft*, 88th Cong., 1st Sess. 40-41 (Comm. Print 1964) ["Preliminary Draft"] (remarks of Mr. Goldman). See *id.* at 65 (remarks of Ms. Ringer).

The Register accordingly dropped the word "creative" from the draft legislation that was proposed to Congress, offering in its place a basic provision that in substance is identical to existing Section 102(a). *Preliminary Draft* § 1(a) at 1. The Register also proposed a provision addressing the copyrightability of compilations that was identical in substance to existing Section 103 (see *Preliminary Draft* § 2, at 1-2), along with a definition of "compilation" that tracks the one in existing Section 101. See *Preliminary Draft* § 2(c), at 2. These provisions were introduced with trivial changes in both the House and the Senate, in forms that were virtually identical to existing Sections 101, 102(a), and 103. See H.R. 11497 and S. 3008, 88th Cong., 1st Sess. §§ 1, 2, 54 (1964), reprinted in *Copyright Law Revision, Pt. 5: 1964 Revision Bill With Discussions and Comments*, 89th Cong., 1st Sess. (Comm. Print 1965).

The bills were reintroduced in both Houses with minor changes the following year. H.R. 4347 and S. 1006, 89th Cong., 1st Sess. (1965). Commenting on these proposals, the Register again explained that "our intention here is to maintain the essential standard of originality without implying any further requirement of aesthetic value, novelty, or ingenuity." *Copyright Law Revision, Pt. 6: Supplementary Report of The Register of Copyrights on the General revision of the U.S. Copyright Law, 1965 Revision Bill*, 89th Cong., 1st Sess. 3 (Comm. Print 1965). When it reported out H.R. 4347 the next year, the House Judiciary

Committee echoed these remarks, explaining that Section 102 protects "all classes of works that are copyrightable under existing law." H.R. Rep. No. 2237, 89th Cong., 2d Sess. 32 (1966). See *id.* at 42-43. The Committee added, using language that both Houses were to repeat 10 years later, that copyrightable compilations are produced "from a process of selecting, bringing together, organizing and arranging previously existing material of all kinds, regardless of whether the individual items in the material have been subject to copyright." *Id.* at 57.

While disputes over other issues delayed passage of the Act for another decade, the language of the relevant portions of Sections 101, 102, and 103 remained unchanged. See A. Latman & J. Lightstone, *The Kaminstein Legislative History Project: A Compendium and Analytical Index Leading to the Copyright Act of 1976*, 29-55, 69-81 (1981).⁹ In effect, then, the provisions of the Act that are at issue here remained undisturbed – indeed, they remained largely undiscussed – from the time they were proposed by the Register in 1964 as a codification of then

⁹ The only exception to this was the addition of Section 102(b), which provides that copyright protection does not "extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery." That provision first appeared in a form virtually identical to the current statute, in a Senate bill introduced in 1969. S. 543, 91st Cong., 1st Sess. (1969). While there was no contemporaneous explanation for the addition of this language, it appears to have been prompted principally by concerns about the scope of copyright protection in computer programs. See S. Rep. No. 473, *supra*, at 54; H.R. Rep. No. 1476, *supra*, at 56-57. In any event, the provision "in no way enlarges or contracts the scope of copyright protection under the [1909 Act]. Its purpose is to restate, in the context of the new single Federal system of copyright, that the basic dichotomy between expression and idea remains unchanged." S. Rep. No. 473, *supra*, at 54; H.R. Rep. No. 1476, *supra*, at 57.

– existing law. At no point did anyone express any dissatisfaction either with the general originality standard or with the application of that standard to directories.

3. Judicial Decisions Have Interpreted The Copyright Act Of 1976 To Include Directories As Copyrightable Subject Matter

The language of the Act itself makes plain that directories are subject to copyright. Section 102(a)(1) provides that copyrightable works of authorship include "literary works," a category that, as defined in Section 101, reaches all works "expressed in words, numbers, or other verbal or numerical symbols or indicia." As both the House and Senate Committee Reports explain, "[t]he term 'literary works' does not connote any criterion of literary merit or qualitative value: it includes catalogs, *directories*, and similar factual, reference, or instructional works and compilations of data." H.R. Rep. No. 1476, *supra*, at 54; S. Rep. No. 473, *supra*, at 53 (emphasis added).

Moreover, Section 103(a) expressly provides that "[t]he subject matter of copyright as specified by Section 102 includes compilations and derivative works." The term "compilation" in turn is defined in Section 101 as "a work formed by the collection and assembling of preexisting materials or data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." Again, both Houses of Congress explained that a copyrightable compilation may subsist in "previously existing material of all kinds, regardless of whether the individual items in the material have been or ever could have been subject to copyright." H.R. Rep. No. 1476, *supra*, at 57; S. Rep. No. 473, *supra*, at 55.

Rural's directory plainly is such a compilation. As required by the terms of the Act, Rural "collect[ed] and assembl[ed]" preexisting material – the individual names, addresses, telephone numbers, and other subscriber information that previously had existed only as disparate

and unconnected bits of material. Rural selected the inter-related material it wished to include in each listing and selected those listings it wished to include in its directory from the universe of possible choices and arranged the listings in a useful, coordinated format. There are a myriad of possible choices concerning selection, coordination, and arrangement that go into the production of a telephone directory: how much data to include within each listing (such as types of addresses, zip codes and neighborhood designations); whether to include middle names or initials, or honorifics; whether to segregate residential, business, and government listings; whether to include street addresses; whether to arrange by towns or as one combined directory, the closing date of the directory and the geographic scope of the directory.

There can be no doubt that the gathering together of the particular material that is placed in a telephone directory involves collection, assembly, selection, coordination, and arrangement as those terms are used in the 1976 Act. The copyrightability of directories such as those created by Rural clearly meets the Act's test for "an original work of authorship" as recognized by numerous Courts of Appeal. See *Hutchinson Tel. Co. v. Frontier Directory Co.*, 770 F.2d 128, 131 (8th Cir. 1985) ("[i]t is evident that a directory compiled by a telephone company from its internally maintained records may be said to be independently created"); *Rockford Map Publishers, Inc. v. Directory Serv. Co.*, 768 F.2d 145, 148 (7th Cir. 1985) ("[a] subjective assessment of the importance of the contribution has nothing to do with the existence of copyright"), *cert. denied*, 474 U.S. 1061 (1986).¹⁰

¹⁰ Feist appears to suggest (Pet. Br. 18, 23) that Rural's directory is not subject to copyright because it was generated from Rural's internal customer records. No matter how created, the data in the directory was collected, assembled, selected, arranged, and coordinated by Rural. Noting that

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It therefore comes as no surprise that this Court *already* has declared that "[c]reation of a nonfiction work, even a compilation of pure fact, entails originality." *Harper & Row*, 471 U.S. at 547. The Court cited for this proposition *Schroeder*, 566 F.2d 3, which it characterized as upholding copyright in a gardening directory.¹¹ 471 U.S. at 547.

The copyrighted directory in *Schroeder* consisted of listings of names and addresses of suppliers of seeds, plants, publications and other items useful to gardeners. The directory also included descriptive information about each supplier. The defendant published a competitive gardening directory. In the preparation of its directory, the defendant copied the names and addresses of gardening suppliers from 27 out of 63 pages of the plaintiff's directory. The defendant admitted the copying from the

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Rural publishes the listings of all of its subscribers, Feist also complains that "[t]he inclusion of the entire universe of data is certainly not 'selection' within the meaning of the statute." *Id.* at 18. However, the decision by Rural to include its subscribers in a single directory for the eleven county area - instead of several separate directories covering parts of that area - is an act of selection. Furthermore, the decision by Rural to include only its subscribers in the initial portion of its directory and to place the listings from adjacent telephone companies in a subsequent portion of the directory is a further act of selection. Finally, Rural selected one combined alphabetical arrangement for its subscribers as opposed to separate alphabetical arrangements for each city or community within its service area. Feist's argument leads to a nonsensical conclusion - the more inclusive and useful a directory, the less the copyright protection to which it is entitled.

¹¹ See *Stewart v. Abend*, ___ U.S. ___, 110 S. Ct. 1750, 1767 (1990) (citing *Adventures in Good Eating v. Best Places to Eat*, 131 F.2d 809 (7th Cir. 1942) (upholding copyright in restaurant directory)).

plaintiff's directory and admitted the validity of the plaintiff's copyright in its directory. The defendant, however, contended that the portions of the plaintiff's directory which it copied were uncopyrightable components of the directory. The copied material amounted to approximately one percent of the material in the defendant's directory.

In finding the plaintiff's directory to be copyrightable subject matter, the court stated:

An original compilation of names and addresses is copyrightable even though the individual names and addresses are in the public domain and not copyrightable. [Citation to *Leon and Jeweler's Circular* omitted]. As the latter case observed, only "industrious collection," not originality in the sense of novelty, is required. . . . The copyright protects not the individual names and addresses but the compilation, the product of the compiler's industry. . . .

Defendants are not exonerated by the fact that the compilers of their book copied only the names and addresses and not the accompanying descriptive material that appeared in plaintiffs' book. The copyright protected not merely the descriptive material but also "the selection, the ordering and arrangement" of the names and addresses.

Id. at 5-6 (emphasis added).

A more recent decision reaching the same conclusion as *Harper & Row* was *United Tel. Co. v. Johnson Publishing Co.*, 671 F. Supp. 1514 (W.D. Mo. 1987), *aff'd*, 855 F.2d 604 (8th Cir. 1988). That case involved the copying of United Telephone's copyrighted 1985 white pages telephone directory for Jefferson City, Missouri. The defendant was in the business of publishing and selling "city directories" which included a white pages section containing the names, addresses, and telephone numbers of area residents, the names of their spouses, and the names and

years of birth of their children. The defendant's business listings included a brief description of the type of business and the names of the principals.

In 1986, the defendant compared its 1985 City Directory with United Telephone's 1985 telephone directory. As a result of this comparison, the defendant copied into a computer database approximately 5,000 names, addresses and telephone numbers of residents and businesses contained in United Telephone's 1985 directory which were not contained in the defendant's 1985 City Directory. The defendant attempted to contact all of the residents and businesses listed in its database to confirm the accuracy of the information copied from United Telephone's directory. The information was then published in the defendant's 1986 City Directory.

In finding that the defendant had infringed United Telephone's copyright, the court noted that the white pages section of United Telephone's directory was created in accordance with the definition of a compilation contained in Section 101 of the 1976 Copyright Act. After further noting Section 103's caveat that copyright protection extends "only to the material contributed by the author," the court found that the defendant's copying of names, addresses, and telephone numbers from United Telephone's directory into a computer database was a copying of:

a protected expression of the preexisting names, addresses, and telephone numbers of [United Telephone's] subscribers. By copying this information directly into its computer data base, [the defendant] has "taken" from United Telephone's compilation of its listings, and has copied "material contributed by the author."

Id. at 608.

Indeed, since the enactment of the Act, the courts uniformly have held that directories in general, and telephone directories in particular, are subject to copyright. See *Illinois Bell Tel. Co. v. Haines & Co.*, 683 F. Supp. 1204 (N.D. Ill. 1988), 905 F.2d 1081 (7th Cir. 1990) (white

pages), *petition for cert. pending*, 59 U.S.L.W. 3374 (U.S. Nov. 2, 1990) (No. 90-731); *Konor Enters., Inc. v. Eagle Publications, Inc.*, 878 F.2d 138, 140 (4th Cir. 1989) (white and yellow pages); *Hutchinson*, 770 F.2d at 131-132 (white pages); *Southern Bell Tel. & Tel. Co. v. Associated Tel. Directory Publishers*, 756 F.2d 801, 811 (11th Cir. 1985) (yellow pages); *Farmers Indep. Tel. Co. v. Thorman*, 648 F. Supp. 457, 459-61 (W.D. Wis. 1986) (white and yellow pages); *Central Tel. Co. v. Johnson Publishing Co.*, 526 F. Supp. 838, 843-44 (D. Colo. 1981) (white pages); *Northwestern Bell Tel. Co. v. Bedco of Minnesota, Inc.*, 501 F. Supp. 299, 301 (D. Minn. 1980) (yellow pages); *BellSouth Advertising & Publishing Corp. v. Donnelley Information Publishing, Inc.*, 719 F. Supp. 1551 (S.D. Fla. 1988) (yellow pages), *appeal docketed*, No. 89-5131 (11th Cir. 1989). Rural is not aware of any decision by any court declining to award copyright protection to a telephone directory.¹²

B. THE SCOPE OF COPYRIGHT PROTECTION EXTENDS TO THE COMPILATION OF MATERIAL IN A DIRECTORY

Once copyrightability of its directory is established, Rural must prove that Feist intruded on Rural's exclusive rights by substantially reproducing the compilation of listings in the directory, or by preparing derivative works based upon the compilation of listings. 17 U.S.C. § 106(1), (2) (1976). It is axiomatic, of course, that the infringing work need not be an exact duplicate of the copyrighted work. *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1167 (9th Cir.

¹² In a recent district court case, *Black's Guide, Inc. v. Medi-america Inc.*, 16 U.S.P.Q.2d 1769 (N.D. Cal. 1990), the court found the plaintiff's leasing guide not to be copyrightable because of the absence of any original selection, coordination or arrangement of the facts presented therein. The holding of this case is in conflict with numerous prior decisions relating to directories; however, it is distinguishable from the present case since it does not relate to a telephone directory.

1977). It is sufficient if a substantial copy of the copyrighted compilation of listings is made. See *Perris v. Hexamer*, 99 U.S. 674 (1878); *Toksvig v. Bruce Pub. Co.*, 181 F.2d 664, 666 (7th Cir. 1950).

Given that Feist admitted the keying of 4,935 listings from Rural's directory into a computer database for the purpose of building a publishing database, there is no issue as to the copying of a substantial portion of the compilation of listings in Rural's directory; Feist has acknowledged that Rural's directory "was extensively used to prepare a portion of [its] directory."¹³ Pet. App. at 11a. In addition, fictitious listings in Rural's directory appeared in Feist's publication; the inclusion of such fictitious listings has long been understood as "one of the most significant evidences of infringement." *Callaghan v. Myers*, 128 U.S. 617, 662 (1888); *Central Tel. Co. v. Johnson Publishing Co.*, 526 F. Supp. 838, 844 (D. Colo. 1981). See 3 M. Nimmer & D. Nimmer, *supra*, § 13.03[C]. Indeed, Rural's directory was the basis for the portion of Feist's directory that covered Rural's service area. See Pet. App. at 7a-8a.

It is necessary to state clearly what Feist is arguing with respect to infringement of Rural's copyright. Feist's argument is premised upon the view that its copying of listings from Rural's directory did not violate Rural's copyright because Feist only copied uncopyrightable

¹³ In the absence of direct evidence of copying, the question of infringement often involves a complex factual inquiry that turns on a demonstration of the infringer's access to the copyrighted work and of substantial similarity between the copyrighted and the infringing works. See 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright*, § 13.01[B] at 13-8, § 13.03[A] (1990); Denicola, *Copyright in Collection of Facts: A Theory for the Production of Nonfiction Literary Works*, 81 Colum. L. Rev. 516, 532 (1980). In this case, there is no need to engage in such an inquiry - Feist admits that it made extensive use of the Rural directory in the preparation of the Feist directory.

facts. Feist also contends that the listings included in Rural's directory are "preexisting material" that cannot be subject to copyright protection.

Facts and discoveries, of course, are not themselves subject to copyright protection. *Harper & Row*, 471 U.S. at 556; *International News Serv. v. Associated Press*, 248 U.S. 215, 234 (1918); 17 U.S.C. § 102(b) (1976). Rural has never claimed copyright protection for individual listings; it seeks to protect only its original contribution - its compilation of listings which results from collection, assembly, and selection, as well as coordination and arrangement, of individual facts. Rural certainly has no exclusive rights in the information set out in its directory; anyone may discover for themselves and publish that information. While "copyright does not prevent subsequent users from copying from a prior author's work those constituent elements that are not original," copyright does prevent appropriation of the author's original contribution. *Harper & Row*, 471 U.S. at 548.

Feist's argument necessarily depends on the assertion that even if Rural has a copyrightable interest in its directory, that interest extends only to the "exact arrangement of [its] listings." Pet. Br. at 22. Feist apparently contends that any activity other than the identical copying of a directory, such as any copying that varies the arrangement or ordering of listings, or any copying that includes additions or subtractions from those listings, avoids infringement of the copyright. See Pet. Br. at 18-22. Feist is simply wrong in this assertion. Furthermore, Feist is incorrect in arguing (Pet. Br. at 18-19, 22) that its position is supported by Section 103(b), which provides that "[t]he copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material." 17 U.S.C. § 103(b)

(1976).¹⁴ This contention cannot be reconciled with prior judicial interpretations, or the history and purposes of the Act. As the directory decisions that predated enactment of the Copyright Act uniformly hold, the appropriation of substantial portions of a compilation of facts that had been collected, assembled and selected (or arranged or coordinated) in an original manner plainly appropriates, along with those facts, the author's original contribution.

1. Judicial Decisions Prior To The Copyright Act Of 1976 Establish That A Substantial Copying Of A Compilation Constitutes Infringement

Prior to the 1976 Act, several courts implicitly addressed and rejected the arguments raised here by

¹⁴ While it literally applies to compilations, Section 103(b) is principally directed to an entirely different problem from the one at issue here: Congress was concerned that the author of a derivative work based upon a work that itself was copyrighted or in the public domain might attempt to assert a copyright interest in the original work. Congress thus explained of Section 103(b) that "[t]he most important point here is one that is commonly misunderstood today: copyright in a 'new version' covers only the material added by the *later* author, and has no effect one way or the other on the copyright or public domain status of the preexisting material." H.R. Rep. No. 1476, 94th Cong., 2d Sess. at 57 (1976) (emphasis added); S. Rep. No. 473, 94th Cong., 1st Sess., at 55 (1975). But this concern is simply inapplicable here; a directory is not a "new version" of anything - it is an entirely original work. Despite hints to the contrary by amicus North American Directory Publishers, *et al.* Motion for Leave to File Brief *Amici Curiae* and Brief of Ass'n of North American Directory Publishers, and the Directory Publishers Association as *Amici Curiae* in Support of Petitioner Feist Publications, Inc. at 10 & n.9, *Feist Publications, Inc. v. Rural Tel. Serv. Co., Inc.*, No. 89-1909 (1989), neither Congress nor the Register of Copyrights expressed any dissatisfaction with judicial decisions involving compilations of fact.

Feist. Those courts held that a defendant's substantial copying of listings – even though each individual listing may arguably contain only "facts" – constituted an infringement of the compilation copyright. The courts properly considered the argument that the infringer's copying of a substantial number of listings necessarily appropriated the copyright owner's original work – especially with respect to the owner's selection of material included in the compilation. For example, in *Leon v. Pacific Tel. & Tel. Co.*, 91 F.2d 484 (9th Cir. 1937) – a decision generally regarded as "[t]he landmark case on copyright infringement of a telephone directory"¹⁵ – the copyrighted work was an alphabetical white pages telephone directory. The court in *Leon* upheld the copyright owner's infringement claim against a defendant who had copied the selection of listings and then rearranged them numerically by telephone number (a so-called "criss-cross" directory). *Id.* at 485.

Most of the decisions of these courts found infringement even though the infringer either rearranged the copied listings or added new material to the listings – precisely the type of activity that Feist claims excuses its copying. See *Schroeder v. William Morrow & Co.*, 566 F.2d 3, 4-5 (7th Cir. 1977) (copyrighted gardening directory contained lists with names, addresses, and short descriptions of suppliers and nurseries; infringing publication omitted descriptions but included much new material, so that copied material amounted only to approximately one per cent of infringing volume); *Southwestern Bell*, 371 F. Supp. at 904 (infringing telephone directory less inclusive than copyrighted work); *Chain Store Business Guide v. Wexler*, 79 F. Supp. 726, 727 (S.D.N.Y. 1948) (infringing directory of stores presented in different format); *Sub-Contractors Register v. McGovern's Contractors & Builders Manual*, 69 F. Supp. 507, 508 (S.D.N.Y. 1946)

¹⁵ *Southwestern Bell Tel. Co. v. Nationwide Indep. Directory Serv., Inc.*, 371 F. Supp. 900, 905 (W.D. Ark. 1974)

(infringing directory of building trades less inclusive); *Triangle Publications v. New England Newspaper Publishing Co.*, 46 F. Supp. 198, 202 (D. Mass. 1942) (compilation of horse racing results and performance tables copied in narrative form); *Sampson & Murdock Co. v. Seaver-Radford Co.*, 140 F. 539, 540 (1st Cir. 1905) (directories with different closing dates).

These pre-Act cases often expressed an interest in protecting a copyright owner's "industrious collection" in preparing the compilation. In an often quoted passage by Learned Hand, the Second Circuit declared that "[t]he man who goes through the streets of a town and puts down the names of each of the inhabitants, with their occupations and their street number, acquires material of which he is the author. He produces by his labor a meritorious composition, in which he may obtain a copyright, and thus obtain the exclusive right of multiplying copies of his work." *Jeweler's Circular Publishing Co. v. Keystone Publishing Co.*, 281 F. 83, 88 (2d Cir. 1922), *cert. denied*, 251 U.S. 581 (1922). See *Leon*, 91 F.2d at 486. The court's focus in that case was not on labor *per se*, but rather upon the labor that was reflected in the very nature of the compilation – a directory composed of relevant listings or consistent factual pieces of information that through the copyright owner's efforts are selected, coordinated, or arranged to form the copyrightable work.

These decisions were not aberrations. Their analysis was echoed, without dissent, by the other directory cases of the period. See *Schroeder*, 566 F.2d at 5 ("only 'industrious collection,' not originality in the sense of novelty, is required"); *Adventures in Good Eating v. Best Places to Eat*, 131 F.2d 809, 812 (7th Cir. 1942) ("[a]ny person may produce a directory of restaurants, but he must 'start from scratch'"). The reasoning of these decisions was routinely relied upon by courts that endorsed

their analysis.¹⁶ Indeed, so far as Rural is aware, there is no judicial authority from the period prior to enactment of the 1976 Act challenging either the holdings or the premises of these decisions.

2. The Legislative History Of The Copyright Act Of 1976 Establishes That The Substantial Copying Of A Compilation Constitutes Infringement

The legislative history provides direct evidence of congressional approval of the holdings in *Leon* and *Jeweler's Circular*. In enacting the Copyright Act of 1976, Congress was aware of and approved these judicial authorities. In a major study, commissioned by Congress as one of the comprehensive studies undertaken as a prelude to work on the 1976 Copyright Act (see S. Rep.

¹⁶ See, e.g., *College Entrance Book Co. v. Amsco Book Co.*, 119 F.2d 874, 875-76 (2d Cir. 1941) (citing *Jeweler's Circular* in finding infringement in copying of French words and translations); *Yale University Press v. Row, Peterson & Co.*, 40 F.2d 290, 291-92 (S.D.N.Y. 1930) (citing *Jeweler's Circular* in finding infringement in copying of book of photographs); *General Drafting Co. v. Andrews*, 37 F.2d 54, 55 (2d Cir. 1930) (citing *Jeweler's Circular* in finding infringement in copying of map); *W.H. Anderson Co. v. Baldwin Law Pub. Co.*, 27 F.2d 82, 89-91 (6th Cir. 1928) (citing *Jeweler's Circular* in finding infringement in copying of law index); *American Travel & Hotel Directory v. Gehring Publishing Co.*, 4 F. 415, 416 (S.D.N.Y. 1925) (citing *Jeweler's Circular* in finding infringement in copying of hotel directory); *Produce Reporter Co. v. Fruit & Produce Rating Agency*, 1 F.2d 58, 61-62 (N.D. Ill. 1924) (citing *Jeweler's Circular* in finding infringement in copying of credit rating lists); *Southwestern Bell*, 371 F. Supp. at 904-05 (citing *Leon* and *Jeweler's Circular* in finding infringement in copying of telephone directory); *Sub-Contractors Register*, 69 F. Supp. at 509-10 (citing *Jeweler's Circular* in finding infringement in copying of building trades directory); *Triangle Publications*, 46 F. Supp. at 201-02 (citing *Leon* and *Jeweler's Circular* in finding infringement in copying of compilation of horse race results and performance tables).

No. 473, *supra*, at 47), the operative language from *Jeweler's Circular* was approved. *Copyright Law Revision: Studies Prepared for the Subcomm. on Patents, Trademarks & Copyrights of the Senate Comm. on the Judiciary*, 86th Cong., 1st Sess. Part 1 at 86 (Comm. Print 1960) (citing *Jeweler's Circular*, 281 F. at 88). Furthermore, *Leon* and *Jeweler's Circular* were cited with approval to both Houses of Congress during hearings leading to enactment of the 1976 Copyright Act. See *Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before Subcomm. No. 3 of the House Comm. on the Judiciary*, 89th Cong., 2d Sess. 1503 (1966) (statement of Ralph Dwan citing *Leon* with approval); *id.* at 1697 (statement of John Schulman citing *Jeweler's Circular* with approval); *Copyright Law Revision: Hearings on S. 1006 Before the Subcomm. on Patents, Trademarks & Copyrights of the Senate Comm. on the Judiciary*, 89th Cong., 1st Sess. 97 (1965) (statement of John Schulman citing *Jeweler's Circular* with approval). See also *Copyright Law Revision: Hearings on S. 1361 Before the Subcomm. on Patents, Trademarks & Copyrights of the Senate Comm. on the Judiciary*, 93d Cong., 1st Sess. 271 (1973) (statement of Paul G. Zurkowski noting protection of directories).

Leon and *Jeweler's Circular* also were cited by the National Commission on New Technological Uses of Copyrighted Works ("CONTU") for the proposition that unauthorized appropriation of the data in a computerized database is copyright infringement. National Commission on New Technological Uses of Copyrighted Works, *Final Report* 104 n.76 (1978) ["CONTU Report"]. CONTU's views bear particular weight because the Commission was established by Congress in 1974 to recommend copyright legislation relating to computers and photocopiers; its recommendations were enacted by Congress in the Computer Software Copyright Act of 1980, Pub. L. No. 96-517 (1980), as an amendment to the Act. Courts accordingly "consider the CONTU Report as accepted by Congress since Congress wrote into the law the majority's recommendations almost verbatim." *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240, 1252 (3d Cir.

1983), cert. dismissed, 464 U.S. 1033 (1984). See *Whelan Assocs., Inc. v. Jaslow Dental Laboratory, Inc.*, 797 F.2d 1222, 1241 (3d Cir. 1986), cert. denied, 479 U.S. 1031 (1987). Because the information in such a database cannot meaningfully be said to have any "arrangement" at all, this conclusion necessarily rests on the proposition that the "selection" of data in the database is protected. See Denicola, *Copyright in Collections of Facts: A Theory for the Protection of Nonfiction Literary Works*, 81 Colum. L. Rev. 516, 531 (1981). Thus, as CONTU observed,

[t]he use of one item retrieved from such a work – be it an address, a chemical formula or a citation to an article – would not under reasonable circumstances merit the attention of the copyright proprietor. Nor would it conceivably constitute infringement of copyright. The retrieval and reduplication of any substantial portion of a data base, whether or not the individual data are in the public domain, would likely constitute a duplication of the copyrighted element of the data base and would be infringement.

CONTU Report at 103.¹⁷ In like fashion, unauthorized appropriation of the compilation of listings in a directory is an infringement because that compilation also results from acts of selection as well as arrangement.

Feist's challenge to *Leon*, *Jeweler's Circular* and their progeny is flatly inconsistent with this congressional history. In enacting the Copyright Act, "Congress indicated when it intended to incorporate existing case law." *Community for Creative Non-Violence v. Reid*, 109 S. Ct. 2166, 2177 n.15 (1989). Cf. *Mills Music, Inc. v. Snyder*, 469

¹⁷ Feist's suggestion (Pet. Br. at 17) that protection for directories would transcend Congress's constitutional power under the Copyright Clause accordingly is flawed. Rural is not seeking copyright protection for facts; it seeks to protect the collection (the selection) of data that "itself [is] a work of authorship." Denicola, *supra*, 81 Colum. L. Rev. at 530.

U.S. 153, 170-72 (1985). As explained above, it is beyond dispute that Congress meant to endorse existing law on originality and the scope of copyrightability. That law was wholly uncontroversial at the time. In particular, there was not a whisper of discontent in the courts with the copyright protection accorded directories or with the rule of *Leon* or *Jeweler's Circular*.

3. Judicial Decisions Following the Copyright Act Of 1976 Continue to Protect Compilations From Substantial Copying

Rural's position is also supported by judicial decisions interpreting the 1976 Copyright Act. Since the enactment of the 1976 Act, several courts have held that a defendant's substantial copying of a copyrighted directory constitutes infringement. For example, in *United Tel. Co. v. Johnson Publishing Co.*, the court held as follows:

In this case, the Court cannot conclude that Johnson [defendant] began its update of its data base listings "as if there had never been a first compilation." Rather, Johnson started with United's 1985 Jefferson City telephone directory to update its data base and subsequently initiated telephonic canvassing after the listings not contained in its data base were entered into the data base by keyboard operators. In the opinion of the Court, such evidence constitutes direct evidence of substantial copying, thereby making United's claim for copyright infringement a valid one and which, under the stipulations and evidence submitted by the parties, warrants the granting of summary judgment in favor of United. (Footnote omitted).

671 F. Supp. 1514, 1522 (W.D. Mo. 1987), *aff'd*, 855 F.2d 604 (8th Cir. 1988). See also *Southwestern Bell*, 371 F. Supp. at 906; *Northwestern Tel. Sys., Inc. v. Local Publications, Inc.*, 208 U.S.P.Q. 257, 258 (D. Mont. 1979).

Feist's argument cites only a few decisions that have questioned whether the earlier decisions apparent

emphasis on "industrious collection" is itself sufficient to justify copyright protection. *See* Pet. Br. at 16-18. The cited cases do not overrule or directly question the earlier holdings, but rather simply point out that labor, apart from the requisite selection, coordination or arrangement, is not sufficient to justify copyright protection – a claim not disputed by Rural.

Similarly, Feist relies (Pet. Br. at 19-20) on the views of the late Professor Nimmer, whose complaint, reflected in the current edition of his treatise, was that *Leon* and similar decisions "fail to apply the standard of originality as it is understood in the law of copyright." 1 M. Nimmer & D. Nimmer, *supra*, § 3.04 at 3-20.2. As Professor Nimmer also observed, however, Congress indicated that the Copyright Act was not intended to change standards of copyrightability and originality that had been established by the courts prior to 1976. *See id.* § 3.04 at 3-20.3 n.22. Indeed, Professor Nimmer had criticized decisions such as *Leon* even before enactment of the Copyright Act. *See Nimmer on Copyright* § 41 at 171-72 (1975). However, Professor Nimmer's views were not accepted by Congress when it expressly endorsed then-existing law.

4. Protecting The Original Selections Of Material, As Well As Original Coordinations Or Original Arrangements Of Material, Contained In A Compilation Is Fully Consistent With The Policies Underlying The Copyright Act Of 1976

It is clear from the background of the Act that Congress understood originality, and thus copyright protection, to reside in original selections of material; as well as original coordinations or arrangements of material. This understanding was entirely consistent both with the reality of the compilation process and with the theory of the Copyright Act. It is very often the author's selection of disparate pieces of material – as well as the collection and assembly of those pieces into a useful form – that comprise the compiler's original contribution. Accordingly,

one who appropriates substantial portions of a selection of material infringes the compiler's copyright, even if the copier rearranges, or does not copy the arrangement of, the constituent pieces of material.

Plainly, this was the general understanding of the theory underlying copyright protection for compilations prior to 1976. As the Seventh Circuit explained in *Schroeder*, "[t]he copyright protects not the individual names and addresses but the compilation, the product of the compiler's industry." 566 F.2d at 5. This theory is also reflected in the language used by Congress in Section 101 to define a compilation, which looks to the collection and assembly of material that is selected, coordinated, or arranged into an original work. *See Konor Enters., Inc. v. Eagle Publications, Inc.*, 878 F.2d 138, 140 (4th Cir. 1989) ("the directory itself is protected as a unique compilation").

In the case of a directory, the original work includes the mass of material contained within it. As Professor Denicola has explained, courts

find authorship in the act of aggregating isolated pieces of information. The particular *collection* [selection] of data would thus itself be a work of authorship. Unless the collection of data contained in the compilation has been copied from a preexisting source, it represents an original contribution of the author. The collection owes its origin to the author as much as does the manner in which the collection is arranged.

Denicola, *supra*, 81 Colum. L. Rev. at 530 (emphasis in original) (footnote omitted). This understanding is best illustrated by considering computer databases, which are simply "collection[s] of information stored in an electronic memory – information that can be arranged and retrieved in variations limited only by the capabilities of the computer and the sophistication of the retrieval program. In such a context there is no particular arrangement to protect." *Id.* at 531. Yet, such databases expressly were understood by Congress to qualify for copyright

protection. See H.R. Rep. No. 1476, *supra* at 54; CONTU Report at 38-40.

Feist's approach, however, would substantially eliminate copyright protection for compilations of facts. Feist's contention is that each of the bits of information in a compilation may be appropriated, so long as the arrangement of the data is not also copied. Pet. Br. at 19-22. As Professor Denicola has noted, "[a]t its extreme [this rationale] would permit a defendant to choose at random bit after bit of data from an alphabetical directory and then simply rearrange the resulting miscellany into the desired scheme." Denicola, *supra*, 81 Colum. L. Rev. at 528. Indeed, if the copyrighted directory's scheme of arrangement itself were not original, Feist's theory seemingly would permit verbatim copying. To limit copyright protection only to the arrangement of materials in a compilation would effectively preclude copyright protection for almanacs, dictionaries, credit reports, and reference works of all kinds.¹⁸ Because Section 301 of the Act largely preempts state laws that provide protections equivalent to copyright,¹⁹ Feist's reading of the Act would strip all protections from works that, prior to 1976, uniformly had been accorded copyright protection.

¹⁸ This would be true, to the extent that the preexisting material, *i.e.*, the individual listings, did not include separately copyrightable text.

¹⁹ "As long as a work fits within one of the general subject matter categories of Sections 102 and 103, [Section 301] prevents the States from protecting it even if it fails to achieve Federal statutory copyright because it is too minimal or lacking in originality to qualify, or because it has fallen into the public domain." H.R. Rep. No. 1476, *supra*, at 131. The Act therefore leaves very little room for application of state unfair competition or misappropriation protections in this setting. See Patterson & Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 UCLA L. Rev. 719, 780-81 (1989); Denicola, *supra*, 81 Colum. L. Rev. at 517 n.7.

Feist further contends that no acts of selection exist if a compilation publishes the entire universe of facts. As a consequence, Feist's approach would have the perverse effect of encouraging compilers to make their works less inclusive – and therefore less useful – so that they could claim to have exercised "selection" in their choice of data.²⁰

²⁰ An example may help to focus the issue. Consider an author who compiles a comprehensive directory of all baseball cards, along with their prices. Such a compilation would be of great value to the nation's baseball card collectors. Creating the compilation would be an enormous undertaking, requiring the investment of many months of effort in the collection and assembly of the card names and prices and in the selection, coordination, and arrangement of that material into a useful form. The directory guide constitutes an original work of authorship because it was independently created, *i.e.*, the selection, coordination, and arrangement of the card names and prices were not copied from another source. Under Feist's theory, this compilation would be afforded no meaningful copyright protection. Each of the individual listings – reporting the name and price of a given card – would be uncopyrightable as a statement of fact. In Feist's view, the compilation as a whole would not be the product of "selection" on the compiler's part because it included all of the relevant information about *every* card in existence. See Pet. Br. at 18. Further, Feist's theory would hold that making an immaterial change in the arrangement of the listings – breaking them down by league rather than by team, for example – would be enough to defeat a claim of infringement. See Pet. Br. at 22.

Such a result is not supported by existing case law. In *Eckes v. Card Prices Update*, 736 F.2d 859 (2d Cir. 1984), a statistician compiled a guide to all of the 18,000 baseball cards manufactured from 1909 to 1979, providing prices depending upon the condition of the card; the 5,000 most valuable cards were listed separately as "premium" cards. The compilation was regarded as an invaluable "bible" by card aficionados. *Id.* at 861. The

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Copyright protection of Rural's compilation of listings also is fully supported by the policies underlying the Copyright Act. This Court has explained repeatedly that "[t]he rights conferred by copyright are designed to assure contributors to the store of knowledge a fair return for their labors." *Harper & Row*, 471 U.S. at 546. The Court has added that this return "is intended to motivate the creative activity of authors and inventors by the provision of a special reward." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984). See *Stewart v. Abend*, ___ U.S. at ___, 110 S. Ct. at 1764; *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975); *Goldstein v. California*, 412 U.S. 546, 555 (1973); *Mazer v. Stein*, 347 U.S. 201, 219 (1954). As the Register of Copyrights explained shortly before passage of the Act: "[T]oo often the public interest has been identified with economic users rather than with authors. . . . [I]t is this protection, the exclusive rights that are supposed to be granted to authors, that is the ultimate public interest that the Constitution and its drafters were thinking about [in the Copyright Clause.]" *Copyright Law Revision: Hearings on H.R. 2223 Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Comm. on the Judiciary*, 94th Cong., 1st Sess. 116 (1975) (statement of Ms. Ringer).

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court of appeals held that the author's copyright was infringed when a rival publisher copied the portion of the compilation containing the 5,000 premium cards. The court explained that the author of the original compilation "exercised selection, creativity and judgment in choosing among the 18,000 or so different baseball cards in order to determine which were the 5,000 premium cards." *Id.* at 863. Under Rural's view of this case, the selection of 5,000 premium cards, as well as the selection of 18,000 cards, constitutes an original work of authorship because that selection was independently created, i.e., it was not copied from another source.

These considerations apply with special force here, for the incentives that underlie production of directories – useful works whose creation, all agree, should be encouraged – are almost entirely economic.²¹ So far as users of directories are concerned, it is quite clear that, if the contents of directories "could be pirated away by a competing publisher, . . . the public [soon] would have nothing worth reading." *Harper & Row*, 471 U.S. at 559 (citation omitted).

Preserving this incentive plainly requires protection of a directory compilation. If the copyright inquiry is focused exclusively on the format or arrangement of the compilation, as suggested by Feist, "the economic incentives underlying the copyright laws are largely swept away." *National Business Lists v. Dun & Bradstreet, Inc.*, 552 F. Supp. 89, 92 (N.D. Ill. 1982). See *Squires, Copyright and Compilations in the Computer Era: Old Wine in New Bottles*, 24 Bull. Copyright Soc'y 18 (1976); Comment, *Copyrighted Compilations of Public Domain Facts in a Directory: The Criterion of Infringement*, 71 Nw. U.L. Rev. 833, 835 (1977). That effect seems undeniable in the computer age, where one

²¹ The fact that state law obligates Rural to publish a directory (see *Pet. Br.* at 1a) does not, however, affect the status of Rural's copyright; "[w]hile the Copyright Act does create certain narrow exceptions to copyrightability for works otherwise constituting original works of authorship, none of those exceptions applies here." *Hutchinson Tel. Co. v. Frontier Directory Co.*, 770 F.2d 128, 132 (8th Cir. 1985) (holding white pages copyrightable despite state law requirement of publication). See *Callaghan*, 128 U.S. at 647 (official state reporter allowed to obtain copyright protection for law reports even though there was a statutory responsibility to prepare those reports); *West Publishing Co. v. Mead Data Central, Inc.*, 799 F.2d 1219 (8th Cir. 1986), *cert. denied*, 479 U.S. 1070 (1986). In any event, the vigor and thoroughness with which a compiler in Rural's situation carries out those obligations surely would be affected by the prospect that a competitor – who has made no equivalent investment – would be able to appropriate the completed work.

may "feed the original compilation into a computer and, within seconds, produce a hard copy of the facts in a completely different format [or arrangement] for a fraction of the original cost." Comment, *supra*, 71 Nw. U.L. Rev. at 841.²²

²² The Court need not address how to reconcile the uncopyrightability of statements of fact with protection for the author's original contribution "in the realm of factual narrative," see *Harper & Row*, 471 U.S. at 548, as suggested in several *amicus* briefs. This case turns, largely, on the definition of "compilation" in Section 101, a definition that has no evident application to narrative works. Both the societal interests advanced by, and the incentives that underlie the production of, narratives differ significantly from those relating to directories.

Most circuits have not yet addressed the scope of copyright in historical narratives, see *Miller v. Universal City Studios, Inc.*, 650 F.2d 1365, 1370 (5th Cir. 1981). Those that have reached the question have observed that narrow copyright protection for historical research "allows a subsequent author to build upon and add to prior accomplishments without unnecessary duplication of effort." *Id.* at 1371-1372. These courts accordingly have suggested that "the cause of knowledge is best served when history is the common property of all, and each generation remains free to draw upon the discoveries and insights of the past." *Hoehling v. Universal City Studios, Inc.*, 618 F.2d 972, 974 (2d Cir. 1980), *cert. denied*, 449 U.S. 841 (1980). See *Nash v. CBS, Inc.*, 899 F.2d 1537, 1540 (7th Cir. 1990). But these observations are applicable to directories, if at all, only to a substantially reduced degree. Future compilers do not build upon the insights developed in existing directories in the search for ultimate truth; they do so, as in this case, largely as a matter of commercial piracy. Rules designed to spare historians unnecessary duplication of effort should not be applied so that the incentives to create compilations of facts are eliminated. In this regard, copyright protection for literary form provides substantial protection to a narrative, even if the facts described are subsequently copied for publication in another work; that is not true, however, for a directory

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In this light, Feist (Pet. Br. at 16-17 and 19-20) gives unduly short shrift to what it derisively calls "sweat of the brow" cases like *Leon* and *Jeweler's Circular*. Rural does not (and the courts below certainly did not) contend that effort alone, in the absence of originality, warrants copyright protection. Granted that directories are "original works of authorship," the policies of the Act provide that copyright protection sweeps broadly enough to encourage the "industrious collection" that is necessarily required for the creation of any compilation. Here, that policy compels the conclusion that the selection, coordination or arrangement of a compilation is subject to copyrightability - but not the individual bits of material.

It should be noted that Feist's practice of confirming the accuracy of the copying of Rural's listings before placing them in Feist's own directory does not excuse its illegal copying.²³ That conclusion is compelled by the language of the Copyright Act. An author has the exclusive right to "prepare derivative works based upon the copyrighted work." 17 U.S.C. § 106(2) (1976). As defined

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if its compilation of facts is substantially reproduced in another work. See Denicola, 81 Colum. L. Rev. at 536; Comment, *supra*, 71 Nw. U.L. Rev. at 836 (1977). Perhaps, as a consequence, several courts have declined to create universal rules that apply equally to directories and narratives. See *Miller*, 650 F.2d at 1370; *W.H. Anderson Co.*, 27 F.2d at 89. Compare *Nash*, 899 F.2d at 1540 (narrative) with *Illinois Bell Tel. Co. v. Haines & Co.*, 905 F.2d 1081, 1085 (7th Cir. 1990) (directory). Congress's intent regarding directories is clear; other types of works must be considered on their own terms.

²³ Of course, Feist's reproduction of a number of fictitious listings that appeared in Rural's directory raises some question about the care with which this confirmation process was undertaken.

in Section 101, a derivative work "is a work based upon one or more preexisting works." Plainly, a second directory that is prepared through the simple expedient of confirming the accuracy of listings copied from an existing directory is "based upon" that directory. The policies underlying the Act warrant the same conclusion, for the "erosion of incentive" that would follow from permitting Feist's practice is clear. Denicola, *supra*, 81 Colum. L. Rev. at 534 n.90.

Long before enactment of the Copyright Act, Justice Story explained that a second author may avoid infringement only by basing his work on independent sources of information, whether "common or independent." *Emerson v. Davies*, 8 F. Cas. 615, 624 (C.C.D. Mass. 1845) (No. 4436). Later in the nineteenth century, a series of influential English decisions squarely held that "a subsequent compiler is bound to set about doing for himself that which the first compiler has done. . . . [T]he only use that [the defendant] can legitimately make of a previous publication is to verify *his own calculations and results* when obtained." *Kelly v. Morris*, L.R. 1 Eq. 697, 701-02 (1866) (emphasis added). See *Morris v. Wright*, L.R. 5 Ch. App. 279 (1870).

The English rule was followed in this country prior to enactment of the 1909 Act. A number of courts thus held that a second compiler could not verify, correct, and then republish material appearing in a copyrighted directory: "[T]his was not original work. It was only a verification of what was found in the complainant's directory, so that this incidental work only completes and makes certain the connecting link between the two publications." *Sampson & Murdock Co.*, 140 F. at 543. See also, e.g., *List Pub. Co. v. Keller*, 30 F. 772, 773 (C.C.S.D.N.Y. 1887). It was generally understood after enactment of the 1909 statute that, while facts themselves were not subject to copyright, a second compiler could not take "the ultimate data while avoiding the labor and expense involved in compiling them." *Associated Press*, 248 U.S. at 257 n.12 (Brandeis, J.,

dissenting). See, e.g., *Adventures in Good Eating*, 131 F.2d at 811. Cf. *Mazer*, 347 U.S. at 218 ("a copyrighted directory is not infringed by a similar directory which is the product of independent work"); *Fred Fisher, Inc. v. Dillingham*, 298 F. 145, 150 (S.D.N.Y. 1924) ("No one doubts that two directories, independently made, are each entitled to copyright, regardless of their similarity").²⁴ There is no reason to believe that Congress intended to change this standard when it enacted the Copyright Act of 1976.

Thus, as Judge Easterbrook wrote for the Seventh Circuit:

All concede, as Learned Hand said in *Jeweler's Circular*, *supra*, 274 F. at 935, that "a second compiler may check back his independent work upon the original compilation." The right to "check back" does not imply a right to start with the copyrighted work. Everyone must do the same basic work, the same "industrious collection." . . . The second compiler must assemble

²⁴ One English and at least one early American decision did indicate in dicta that the material in a copyrighted compilation might be verified and then republished. *Moffatt & Paige Ltd. v. George Gill & Sons, Ltd.*, 86 L.T.R. (n.s.) 465, 471 (C.A. 1902); *Edward Thompson Co. v. American Law Book Co.*, 122 F. 922 (2d Cir. 1903) (citing *Moffatt*). Even these decisions, however, were ambiguous in identifying how much of an independent initial canvass the second compiler was required to undertake. See Lurvey, *Verifying from Prior Directories - "Fair Use" or Theft?*, 13 Bull. Copyright Soc'y 271, 283 (1966). Cf. *Jeweler's Circular*, 274 F. at 935 (adverting to apparent disagreement between *Edward Thompson Co.* and *Sampson & Murdock*). But as one commentator noted just prior to enactment of the 1976 Act, "[n]o recent decisions . . . have condoned this practice, commonly referred to as 'slipping.' The majority view holds, rather, that subsequent compilers may use information contained in a copyrighted compilation only to verify that information gathered and reproduced as a result of independent effort." Squires, *supra*, 24 Bull. Copyright Soc'y at 27-28 (footnote omitted). See *id.* at 28 n.41.

the material as if there had never been a first compilation; only then may the second compiler use the first as a check on error.

Rockford Map Publishers, Inc. v. Directory Serv. Co., 768 F.2d 145, 149 (7th Cir. 1985), *cert. denied*, 474 U.S. 1061 (1986) (footnote omitted). See 2 M. Nimmer & D. Nimmer, *supra*, § 8.01[E] at 8-20; Denicola, *supra*, 81 Colum. L. Rev. at 534 n.90.

C. FEIST'S SUBSTANTIAL COPYING OF RURAL'S DIRECTORY FOR COMMERCIAL PURPOSES DOES NOT CONSTITUTE FAIR USE

Feist also argues that its substantial copying of Rural's directory was justified under the fair use doctrine. This issue is not before the Court; the order granting certiorari was limited to the third question presented in Feist's petition which dealt with whether its use of Rural's directory constituted infringement. Feist's petition did not discuss the fair use doctrine.

This is not an appropriate case for considering the fair use doctrine in any event. The fair use doctrine is by definition a highly factual inquiry. The district court, relying on a number of prior decisions discussed below, held that the fair use defense was not applicable given that Feist copied a substantial portion of Rural's directory; the Tenth Circuit affirmed without any substantive discussion concerning fair use. Moreover, the Supreme Court has recently articulated the fair use defense in extensive detail in both *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985) and *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984). This case is hardly a useful vehicle for providing further insights into the fair use defense.

On the merits, Feist contends that the courts below improperly applied a *per se* rule barring the application of the fair use doctrine. Pet. Br. at 14. This is an inaccurate description of what the district court held. After setting

forth the statutory factors used to determine fair use under Section 107, the district court cited several decisions applying the fair use test, and then applied the general rule set down in those cases to the facts of this case finding that the fair use defense was not available given that Feist substantially copied Rural's directory without performing an independent canvass. The court did not use the term "*per se*"; indeed, the opinion expressly noted that Feist copied the compilation in Rural's directory without first having made efforts to compile its own information. The court found this type of activity not to constitute fair use.

In deciding the fair use question, the district court relied upon a long and unbroken line of decisions holding that a second compiler may not substantially copy earlier compilations before first creating its own compilation. It is the substantial copying – especially here where the sole purpose is for commercial activity – that formed the basis of the court's decision.

The district court's approach is fully consistent with innumerable decisions under both the 1909 Copyright Act and the 1976 Copyright Act. As was the case with respect to Sections 102 and 103 of the 1976 Act, there is no difference with respect to the interpretation of fair use as between the 1909 Act and the 1976 Act.²⁵

²⁵ The 1909 Act did not set forth any description of fair use; rather, the doctrine evolved through judicial interpretations of the policies implicit in copyright law. The 1976 Copyright Act included Section 107 which codifies a list of factors that courts should use in conducting the fair use analysis. It is undisputed that the codification of the statutory factors was not intended to change, narrow, or enlarge the doctrine of fair use in any way and that Section 107 was merely a codification of the existing judicially created doctrine. See *Harper & Row*, 471 U.S. at 549, ("[T]he statutory formulation of the defense of fair

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As an exception to the copyright laws, the fair use defense permits one to lawfully use copyrighted material without the owner's consent. As implied by its name, fair use requires that the use be reasonable – fair use is an equitable rule of reason. *Sony*, 464 U.S. at 448. It is not necessary that all of the statutory factors be resolved in favor of the copyright owner; they are merely to be considered in assessing whether a use is fair or unfair. The question of fair use turns on the importance of the material copied from the viewpoint of a reasonable copyright owner, *i.e.*, would a reasonable copyright owner have consented to the use in question. As this Court has noted:

[Perhaps] no more precise guide can be stated than Joseph McDonald's clever paraphrase of the Golden Rule: 'Take not from others to such an extent and in such a manner that you would be resentful if they so took from you.'

Harper and Row, 471 U.S. at 550 n.3 (quoting 3 M. Nimmer, *supra*, §13.05[A] at 13-66).

Substantial copying of a compilation has never been afforded any protection under the fair use doctrine. The House Report that directly preceded the enactment of the 1976 Act explained as follows:

The claim that a defendant's acts constituted a fair use rather than an infringement has been raised as a defense in innumerable copyright actions over the years, and there is ample case law recognizing the existence of the doctrine and applying it. The examples enumerated at page 24 of the Register's 1961 Report, while by no means exhaustive, give some idea of the sorts

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use in the Copyright Act reflects the intent of Congress to codify the common-law doctrine."); H.R. Rep. No. 1476, *supra*, at 66 (Section 107 was "intended to restate the present judicial doctrine of fair use, not to change, narrow or enlarge it in any way.")

of activities the courts might regard as fair use under the circumstances: "quotation of excerpts in a review or criticism for purposes of illustration or comment; quotation of short passages in a scholarly or technical work, for illustration or clarification of the author's observations; use in a parody of some of the content of the work parodied; summary of an address or article, with brief quotations, in a news report; reproduction by a library of a portion of a work to replace part of a damaged copy; reproduction by a teacher or student of a small part of a work to illustrate a lesson; reproduction of a work in legislative or judicial proceedings or reports; incidental and fortuitous reproduction, in a newsreel or broadcast, of a work located in the scene of an event being reported."

H.R. Rep. No. 1476, 94th Cong., 2d Sess. 65 (1976).

It has long been recognized that it is not fair use of a copyrighted telephone directory to copy from that directory before conducting an initial independent canvass. In the seminal case of *Leon v. Pacific Tel. and Tel. Co.*, 91 F.2d 484 (9th Cir. 1937), the defendant contended that the copying of the names and telephone numbers in the plaintiff's copyrighted alphabetical telephone directory and then rearranging that information into an inverted or criss-cross telephone directory constituted fair use. After noting that substantial copying and publication of copyrighted material can seldom be fair use, the court in *Leon*, quoting from an English case, found that the defendants' copying had been unfair because it:

... appropriated the result of this [plaintiff's] labor and expense to their own use, and even if they have injured the plaintiffs in no other way, they have at any rate deprived them of the advantage, which their copyright conferred on them, of being able to publish such a book as the defendants' book at much less labor and expense than anyone else.

Id. at 487 (quoting *Weatherby & Sons v. International Horse Agency and Exch., Ltd.*, [1910] 2 Ch. 297, 304; 79 L.J.Ch. 609). Accordingly, the court concluded that the defendants had infringed the plaintiff's copyright and sustained the judgment of the district court enjoining the defendants from printing, publishing, selling, or disposing of the infringing telephone directory.²⁶

This same approach has been followed in numerous post-1976 Act cases. See *Illinois Bell Tel. Co. v. Haines & Co.*, 683 F. Supp. 1204, 1210 (N.D. Ill. 1988) ("[W]hen a defendant fails to start with his own independent canvass and instead starts with plaintiff's copyrighted information . . . [the fair use] defense is unavailable."), *aff'd*, 905 F.2d 1081 (7th Cir.), *petition for cert. filed*, 59 U.S.L.W. 3374 (U.S. Nov. 2, 1990) (90-731). Accord *Central Tel. Co. v. Johnson Publishing Co.*, 526 F. Supp. 838, 843-44 (D. Colo. 1981) (" . . . a compiler of a directory may make fair use of an existing compilation if he first makes an independent canvass, then merely compares and checks his own compilation with that of the copyrighted publication and publishes the result after verifying the additional items derived from the copyrighted publication."); *United Tel. Co. v. Johnson Publishing Co.*, 671 F. Supp. 1514, 1522-23 (W.D. Mo. 1987) (" . . . the Court cannot conclude

²⁶ This same principle was followed in numerous other cases decided under the 1909 Copyright Act. See *G.R. Leonard & Co. v. Stark*, 156 U.S.P.Q. 161, 161-62 (7th Cir. 1967); *W. H. Anderson Co. v. Baldwin Law Pub. Co.*, 27 F.2d 82, 89 (6th Cir. 1928); *Menke v. Richfield Oil Corp.*, 14 U.S.P.Q. 296, 297-98 (S.D.N.Y. 1932); *Orgel v. Clark Boardman Co.*, 301 F.2d 119, 120 (2d Cir. 1962); *American Travel & Hotel Directory Co. v. Gehring Publishing Co.*, 4 F.2d 415, 416 (S.D.N.Y. 1925); *Jeweler's Circular Publishing Co. v. Keystone Publishing Co.*, 281 F. 83, 89 (2d Cir. 1922); *Adventures in Good Eating v. Best Places to Eat*, 31 F.2d 801, 812-13 (7th Cir. 1942). Cases decided prior to the 1909 Copyright Act include *List Pub. Co. v. Keller*, 30 F. 772, 773 (C.C.S.D.N.Y. 1887); *Hartford Printing Co. v. Hartford Directory & Publishing Co.*, 146 F. 332, 334 (C.C.D. Conn. 1906).

that . . . [the defendant] began its update of its data base listings as if there had never been a first compilation' . . . [since it] started with . . . [plaintiff's] telephone directory to update its data base and subsequently initiated telephonic canvassing after the listings not contained in its data base were entered into the database by keyboard operators."), *aff'd*, 855 F.2d 604 (8th Cir. 1988). See also *Southwestern Bell Tel. Co. v. Nationwide Indep. Directory Serv., Inc.*, 371 F. Supp. 900, 906 (W.D. Ark. 1974); *Northwestern Tel. Sys., Inc. v. Local Publications, Inc.*, 208 U.S.P.Q. 257, 258 (D. Mont. 1979).

The inapplicability of the fair use defense is also apparent from an analysis of the statutory factors codified in Section 107. The first statutory factor of fair use focuses on "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. §107(1) (1976). It is well established that a commercial use is presumptively unfair. *Harper & Row*, 471 U.S. at 562 ("[T]he fact that a publication was commercial as opposed to nonprofit is a separate factor that tends to weigh against a finding of fair use."); *Sony*, 464 U.S. at 451 ("every commercial use of the copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright"). Here, Feist's sole purpose for the use it made of Rural's directory was commercial in that the substantial copying was made to prepare a directly competing directory. Although Feist argues that the commercial nature of its use applied to yellow pages advertising revenue, the crux of the profit/nonprofit test is whether Feist stood to profit from its exploitation of the copyrighted Rural directory, which it clearly did.

The second fair use factor is "the nature of the copyrighted work." 17 U.S.C. §107(2) (1976). The legislative history and the case law dealing with this factor are sparse. *Sony Corp. of America v. University City Studios, Inc.*, 659 F.2d 963, 972 (9th Cir. 1981), *rev'd on other*

grounds, 464 U.S. 417 (1984). The court in *Southern Bell Tel. & Tel. Co. v. Associated Tel. Directory Publishers*, 756 F.2d 801 (11th Cir. 1985), considered this second factor in depth in the context of telephone directories and concluded that the nature of the copyrighted work did not excuse the defendant's copying. With respect to this factor, the court stated:

While the opportunity to use the fair use defense for copying research is broad, the opportunity to use that defense is narrow once the research is selected and arranged into a compilation and is copied.

Id. at 810-11. See *BellSouth Advertising & Publishing Corp. v. Donnelley Information Publishing, Inc.*, 719 F. Supp. 1551, 1560-61 (S.D. Fla. 1988), appeal docketed, No. 89-5131 (11th Cir. February 6, 1989).

The third factor of fair use is "the amount and the substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. §107(3) (1976). The fair use defense was intended to permit only relatively insubstantial uses of portions of a copyrighted work for purposes such as criticism, comment, or news reporting. In no event, does it constitute fair use if, as in the present case, virtually the entire work is copied. 3 M. Nimmer & D. Nimmer, *Nimmer On Copyright*, §13.05[A][3] at 13-80 (1990); *Harper & Row*, 471 U.S. at 565; *Walt Disney Productions v. Air Pirates*, 581 F.2d 751, 756 (9th Cir. 1978), cert. denied, 439 U.S. 1132 (1979); *Meeropol v. Nizer*, 560 F.2d 1061, 1070 (2d Cir. 1977), cert. denied, 434 U.S. 1013 (1978); *Rosemont Enters., Inc. v. Random House, Inc.*, 366 F.2d 303, 310 (2d Cir. 1966), cert. denied, 385 U.S. 1009 (1967). As stated previously, in copying Rural's copyrighted directory into its computer database, Feist admittedly copied 4,935 listings from that directory. Such substantial copying of a copyrighted work certainly does not satisfy this factor of fair use. *Sony*, 464 U.S. at 450.

The final statutory factor of fair use is "the effect of the use upon the potential market for or value of the

copyrighted work." 17 U.S.C. §107(4) (1976). As this Court explained in *Harper & Row*,

[T]o negate fair use one need only show that if the challenged use "should become widespread, it would adversely affect the potential market for the copyrighted work." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S., at 451, 104 S.Ct., at 793, (emphasis added); *id.* at 484, and n. 36, 104 S.Ct. at 810, and n.36 (collecting cases) (dissenting opinion). This inquiry must take account not only of harm to the original but also of harm to the market for derivative works. See *Iowa State University Research Foundation, Inc. v. American Broadcasting Cos.*, 621 F.2d 57, (CA 2 1980); *Meeropol v. Nizer*, *supra*, at 1070; *Roy Export v. Columbia Broadcasting System, Inc.*, 503 F. Supp. at 1146. "If the defendant's work adversely affects the value of any of the rights in the copyrighted work . . . the use is not fair." 3 Nimmer §13.05[B] at 13-77-13-78 (footnote omitted).

471 U.S. at 568 (emphasis in original). This factor becomes important only when the use is for non-commercial or non-profit purposes; when the use is for commercial purposes, as in this case, harm to the potential market for the copyrighted work is presumed. *Sony*, 464 U.S. at 451. Since Feist failed to produce any evidence of lack of harm to the potential market for the copyrighted work, this presumption should be conclusive.

As demonstrated in the amicus briefs filed on behalf of Feist, there is obviously a potential market for computer databases and other works based on Rural's copyrighted directory. These computer databases constitute derivative works based on the Rural copyrighted directory. Under the 1976 Copyright Act, Rural is entitled to the exclusive right to prepare such derivative works. 17 U.S.C. § 106(2) (1976). Should Rural decide to distribute these derivative works, Feist's unlawful copying of Rural's copyrighted directories to produce its own computer databases would inhibit, or effectively prohibit,

Rural from establishing a market for its computer databases. Feist's copying activity seriously undermines the potential market for derivative works based on Rural's copyrighted directory.

CONCLUSION

An original work of authorship which is created by the compiling of preexisting factual material from numerous sources is valuable because of the collecting, assembling, selecting, coordinating and arranging of that material for publication in a compilation. Such a work must be provided with a meaningful degree of protection lest the incentive to create compilations be destroyed. The result argued by Feist would not provide any meaningful protection for compilations and is contrary to many decades of decisions to the contrary and the legislative history for the Copyright Act. The Copyright Law was not intended to permit the plundering of copyrightable compilations, such as telephone directories, computer databases and the like. The decision below should be affirmed.

Respectfully submitted,

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